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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**IN RE THE MATTER OF THE PETITION OF
KINGSFORD HEIGHTS MUNICIPAL WATER
UTILITY FOR A NEW SCHEDULE OF RATES
AND CHARGES**

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CAUSE NO. 43502-U

**TESTIMONY IN SUPPORT OF SETTLEMENT
of
SCOTT A. MILLER, C.P.A.**

**On
Behalf of
Petitioner**

Kingsford Heights Municipal Water Utility

Petitioner's Exhibit SAM

1 **Q. Please state your name and business address.**

2 A. My name is Scott A. Miller and my business address is 8365 Keystone Crossing, Suite 300,
3 Indianapolis, Indiana, 46240.

4

5 **Q. What is your profession and for whom are you employed?**

6 A. I am a Certified Public Accountant and a principal in the firm of H.J. Umbaugh &
7 Associates, Certified Public Accountants.

8

9 **Q. Can you describe your firm and its area of expertise?**

10 A. Umbaugh is a firm of Certified Public Accountants practicing exclusively as independent
11 financial advisors and utility consultants. The firm, in existence for over fifty years, is a
12 regional CPA firm with offices in Indianapolis and Plymouth, Indiana and Lansing,
13 Michigan. Our firm has concentrated its practice in providing financial advisory services to
14 various governmental entities and not-for-profit utilities within the State of Indiana. A large
15 part of our practice involves accounting studies in connection with changes in utility rates
16 and financial planning for the issuance of tax-exempt bonds and other evidences of
17 indebtedness.

18

19 **Q. What is your educational experience?**

20 A. In June 1995, I received a Bachelor of Science Degree from the Indiana University Kelley
21 School of Business in Bloomington, Indiana. Since then I have completed various
22 professional courses sponsored by the American Institute of Certified Public Accountants,
23 the Indiana CPA Society and other professional organizations.

1 **Q. Please describe your relevant professional experience.**

2 A. I joined the firm of Umbaugh in June 1995 and, in 1998, completed the requirements to
3 become licensed as a Certified Public Accountant in the State of Indiana. In July 2000 I
4 assumed the position of client manager within the firm. On July 1, 2005, I became a
5 principal in the firm. During the past thirteen years with Umbaugh, I have been involved
6 with many professional engagements including financial studies for municipally-owned
7 water, electric, gas and sewage utilities, for-profit and not-for-profit water corporations,
8 water authorities, regional water and sewer districts and conservancy districts. These studies
9 quite often have involved the determination of utility revenue requirements, cost of service
10 studies and the financial planning associated with the issuance of tax-exempt and taxable
11 bonds and loans for projects through a variety of funding sources. I have given speeches and
12 participated in panels and workshops concerning utility rates, financing and project
13 development before the Indiana Rural Water Association, the Alliance of Indiana Rural
14 Water, the Indiana Section of the American Water Works Association, the Indiana
15 Association of Sewer Companies, the Indiana Water Environment Association and the
16 Indiana Association of Cities and Towns.

17
18 **Q. What professional organizations are you associated with?**

19 A. I am a member of the American Institute of Certified Public Accountants, The Indiana CPA
20 Society, the Indiana Water Environment Association and the American Water Works
21 Association and our firm is a member of both the Indiana Rural Water Association and the
22 Alliance of Indiana Rural Water. In addition, our firm is the financial advisor to the Indiana
23 Association of Cities and Towns. In this capacity, we provide guidance on financial matters

1 that affect communities across the State.

2
3 **Q. Have you testified before as an expert witness?**

4 **A.** Yes, I have testified before the Indiana Utility Regulatory Commission ("Commission") on
5 many previous occasions.

6
7 **Q. Was your firm retained by the Kingsford Heights Municipal Water Utility (the**
8 **"Utility" the "Petitioner" or "Kingsford Heights") in connection with these**
9 **proceedings?**

10 **A.** Yes.

11
12 **Q. Would you briefly describe the purposes for which you were retained and the nature**
13 **and scope of the services which you were to provide?**

14 **A.** Our firm was retained to assist the Utility with the calculation of its future annual revenue
15 requirements and the adjustment in rates necessary to fund those revenue requirements. We
16 were also retained to assist Petitioner with the preparation and filing of its small utility
17 application for rate change. Finally, our engagement includes assisting Petitioner with the
18 preparation and filing of responses to inquiries from the Commission and the OUCC.

19
20 **Q. What is the purpose of your testimony?**

21 **A.** Petitioner has reached a settlement of the issues with the OUCC. The purpose of my
22 testimony is to explain a component of that settlement agreement.

23

1 **Q. Would you please describe the settlement agreement?**

2 A. Yes, as I mentioned, Petitioner and the OUCC have reached a settlement regarding the issues
3 involved with this case. The settlement agreement relates to the pro forma revenue
4 requirements and the 34.44% across-the-board rate increase the Parties believe is necessary
5 to support those revenue requirements. The details of this aspect of the settlement agreement
6 will be discussed in the OUCC's report and testimony.

7
8 The settlement agreement also provides for certain adjustments to Petitioner's existing
9 declining block rate structure that are designed to reduce the residential minimum monthly
10 bill. As a result of comments made at the local field hearing held as part of this case, the
11 Commission requested that the OUCC and Petitioner investigate the possibility of reducing
12 the existing residential minimum monthly bill. Over the past several weeks, representatives
13 of the OUCC and the Petitioner have had several meetings to discuss this possibility. Both
14 parties have worked cooperatively on the proposal I will describe and believe that it
15 represents a reasonable resolution of the minimum bill issue.

16
17 Representatives of both the OUCC and Petitioner analyzed billing data for two recent
18 months, March 21, 2008 through April 21, 2008 and May 21, 2008 through June 21, 2008.
19 This monthly information is presented in Exhibits SAM-1 and SAM-2. An average of these
20 two months was used as the basis for the revised minimum bill calculations and is presented
21 on Exhibit SAM-3.

22
23 After analyzing this data, we were able to determine that a significant number of Petitioner's

1 residential customers use 3,000 gallons of water or less each month. Petitioner's current
2 minimum monthly residential bill provides for 6,000 gallons of water. As a result, many
3 current minimum bill customers are paying for more water than they actually use. Any
4 adjustment to the residential minimum monthly bill, however, must be accomplished in a
5 manner that is revenue neutral to the system as a whole. In other words, any lost revenue
6 resulting from a reduced minimum bill must be made up by customers that use more than the
7 monthly minimum. To do otherwise would leave the Utility unable to meet its revenue
8 requirements. To accomplish this objective, the per unit price per 1,000 gallons for the other
9 rate blocks must also be adjusted.

10
11 A variety of alternatives were considered by the Parties. The OUCC and the Petitioner both
12 believe that the proposed rate structure, shown below, provides appropriate and measured
13 relief to the Utility's small customers, mitigates the impact, as much as possible, to the
14 Utility's larger customers and still provides a revenue neutral outcome.

15
16 The change in rate structure also has the added benefit of consolidating Petitioner's rate
17 blocks. As can be seen on Exhibits SAM-1 and SAM-2, Petitioner has a very homogenous
18 customer base. The majority of the customers are residential with very few high volume
19 commercial accounts. This type of customer base lends itself to a rate structure with only a
20 few different rate blocks. Petitioner's current seven block rate structure is unnecessary as a
21 means to fairly and adequately recover revenues from its customers.

The existing and proposed rate structures are shown in the following two tables:

Existing Rate Structure			Rate (Per 1,000 gals)
First	6,000	gallons	\$3.91
Next	12,000	gallons	3.14
Next	24,000	gallons	2.39
Next	48,000	gallons	1.55
Next	110,000	gallons	1.15
Next	300,000	gallons	0.77
All Over	500,000	gallons	0.65
Note: The existing rate structure provides for a 6,000 gallon residential minimum bill.			

Proposed Rate Structure (Prior to Rate Increase)			New Rate (Per 1,000 gals)
First	3,000	gallons	\$7.00
Next	15,000	gallons	2.65
Next	82,000	gallons	2.40
Next	100,000	gallons	1.55
All Over	200,000	gallons	1.15
Note: The proposed rate structure provides for a 3,000 gallon residential minimum bill.			

Under the proposed rate structure, the residential minimum monthly bill would be reduced from \$23.46 for 6,000 gallons to \$21.00 for 3,000 gallons. The result is a \$2.46 decrease in the monthly bill but more importantly a reduction in the amount of gallons for which the customer is billed. These calculations are shown on Exhibit SAM-4. A comparison of monthly bills at various levels of usage is presented on Exhibit SAM-5.

It is important to note that the adjustments described here are considered prior to any approved increase in rates and charges. As I mentioned previously, both the Petitioner and the OUCC have reached an agreement regarding the need for additional revenues to allow the

1 Utility to meet its ongoing revenue requirements. Specifically, the Parties believe that a
2 34.44% increase is appropriate. Any approved across-the-board increase would be applied to
3 the rates after the implementation of the adjustments in rate structure that I just described.
4

5 **Q. Mr. Miller have you calculated what the rate per 1,000 gallons would be for each of**
6 **Petitioner's proposed rate blocks and the related minimum bills by meter size after the**
7 **application of the proposed across-the-board percentage increase of 34.44%?**

8 A. Yes. The present and proposed rates and charges after both the adjustment to Petitioner's
9 rate structure and the application of the proposed 34.44% across-the-board increase are
10 shown on Exhibit SAM-6. The resulting minimum monthly bills by meter size are presented
11 in Exhibit SAM-7.
12

13 **Q. Mr. Miller, do you believe that the proposed settlement agreement discussed in the**
14 **OUCC's report and testimony results in a resolution of the issues in this case that is in**
15 **the public interest?**

16 A. Yes I do.
17

18 **Q. Do you believe that the proposed 34.44% across-the-board increase in rates is**
19 **reasonably necessary for Petitioner to meet its annual revenue requirements?**

20 A. Yes I do.
21
22
23

1 **Q. Do you believe that the proposed changes to the Petitioner's rate structure result in**
2 **fair, just and equitable rates under the circumstances?**

3 **A. Yes I do.**
4

5 **Q. Mr. Miller, the Commission asked a variety of other questions, in addition to the one**
6 **regarding the minimum bill, as part of its docket entry dated September 26, 2008.**
7 **Have responses to those questions been prepared?**

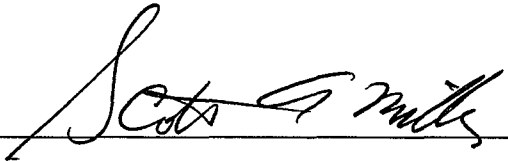
8 **A. Yes. Responses have been attached to this testimony as Exhibit SAM-8.**
9

10 **Q. Does this conclude your testimony?**

11 **A. Yes it does.**

AFFIRMATION

I affirm under the penalties for perjury that the foregoing testimony is true to the best of my knowledge, information, and belief.

Signed: 

Printed: Scott A. Miller

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Exhibit SAM-1

CUSTOMER CONSUMPTION AND RECEIPTS

(Billing Date 5/1/2008)

(For the Consumption Period 3/21/2008 - 4/21/2008)

Consumption	Residential			Commercial			Public Authorities		
	Customers	Customer Bill	Monthly Revenue	Customers	Customer Bill	Monthly Revenue	Customers	Customer Bill	Monthly Revenue
Under 1,001 gallons (1)	112	\$23.46	\$2,627.52	9	\$23.46	\$211.14	2	\$23.46	\$46.92
1,001 - 2,000 gallons	96	23.46	2,252.16	2	23.46	46.92	1	23.46	23.46
2,001 - 3,000 gallons	79	23.46	1,853.34			0.00			
3,001 - 4,000 gallons	80	23.46	1,876.80	1	23.46	23.46			
4,001 - 5,000 gallons	61	23.46	1,431.06	1	38.65	38.65 (2)			
5,001 - 6,000 gallons	30	23.46	703.80			0.00			
6,001 - 7,000 gallons	15	26.60	399.00	1	38.65	38.65 (2)			
7,001 - 8,000 gallons	13	29.74	386.62			0.00			
8,001 - 9,000 gallons	7	32.88	230.16	1	38.65	38.65 (2)			
9,001 - 10,000 gallons	4	36.02	144.08			0.00			
10,001 - 11,000 gallons	2	39.16	78.32	1	39.16	39.16			
11,001 - 12,000 gallons	2	42.30	84.60	1	42.30	42.30			
12,001 - 13,000 gallons	2	45.44	90.88			0.00			
13,001 - 14,000 gallons	1	48.58	48.58			0.00			
14,001 - 15,000 gallons						0.00			
15,001 - 16,000 gallons						0.00			
16,001 - 17,000 gallons				1	58.00	58.00			
17,001 - 18,000 gallons				1	61.14	61.14			
18,001 - 19,000 gallons						0.00			
19,001 - 20,000 gallons						0.00			
20,001 - 21,000 gallons						0.00			
21,001 - 22,000 gallons						0.00			
22,001 - 23,000 gallons						0.00			
23,001 - 24,000 gallons						0.00			
24,001 - 25,000 gallons						0.00			
25,001 - 26,000 gallons						0.00			
26,001 - 27,000 gallons						0.00			
27,001 - 28,000 gallons						0.00			
28,001 - 29,000 gallons						0.00			
29,001 - 30,000 gallons						0.00			
30,001 - 31,000 gallons						0.00			
31,001 - 32,000 gallons						0.00			
32,001 - 33,000 gallons						0.00			
33,001 - 34,000 gallons						0.00			
34,001 - 35,000 gallons						0.00			
35,001 - 36,000 gallons						0.00			
36,001 - 37,000 gallons						0.00			
37,001 - 38,000 gallons						0.00			
38,001 - 39,000 gallons						0.00			
39,001 - 40,000 gallons						0.00			
40,001 - 41,000 gallons						0.00			
41,001 - 42,000 gallons						0.00			
42,001 - 43,000 gallons						0.00			
43,001 - 44,000 gallons						0.00			
44,001 - 45,000 gallons						0.00			
45,001 - 46,000 gallons						0.00			
46,001 - 47,000 gallons				1	127.22	127.22 (3)			
119,001 - 120,000 gallons							1	227.40	227.40 (4)
Totals	504	\$12,206.92		20	\$725.29		4	\$297.78	
Per KH Billing Printouts	504	\$12,206.92		20	\$725.29		4	\$297.78	
Variance	0	\$0.00		0	\$0.00		0	\$0.00	

(1) The bills below 1,000 gallons consumption are a plug amount based on total customer count provided by the utility, less customers listed in the other brackets.

(2) 1" meter minimum bill.

(3) 2" meter minimum bill for school.

(4) Sewage plant.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Exhibit SAM-2

CUSTOMER CONSUMPTION AND RECEIPTS

(Billing Date 7/1/2008)

(For the Consumption Period 5/21/2008 - 6/21/2008)

Consumption	Residential			Commercial			Public Authorities		
	Customers	Customer Bill	Monthly Revenue	Customers	Customer Bill	Monthly Revenue	Customers	Customer Bill	Monthly Revenue
Under 1,001 gallons (1)	101	\$23.46	\$2,369.46	8	\$23.46	\$187.68			
1,001 - 2,000 gallons	75	23.46	1,759.50	2	23.46 & 38.65	62.11	2	\$23.46	\$46.92
2,001 - 3,000 gallons	58	23.46	1,360.68			0.00	1	23.46	23.46
3,001 - 4,000 gallons	74	23.46	1,736.04			0.00			
4,001 - 5,000 gallons	53	23.46	1,243.38	1	23.46	23.46			
5,001 - 6,000 gallons	35	23.46	821.10			0.00			
6,001 - 7,000 gallons	29	26.60	771.40			0.00			
7,001 - 8,000 gallons	21	29.74	624.54			0.00			
8,001 - 9,000 gallons	14	32.88	460.32			0.00			
9,001 - 10,000 gallons	9	36.02	324.18	2	36.02 & 38.65	74.67	(2)		
10,001 - 11,000 gallons	5	39.16	195.80			0.00			
11,001 - 12,000 gallons	6	42.30	253.80	1	42.30	42.30			
12,001 - 13,000 gallons	6	45.44	272.64	1	45.44	45.44			
13,001 - 14,000 gallons	4	48.58	194.32			0.00			
14,001 - 15,000 gallons	3	51.72	155.16	1	51.72	51.72			
15,001 - 16,000 gallons	1	54.86	54.86	1	54.86	54.86			
16,001 - 17,000 gallons	1	58.00	58.00			0.00			
17,001 - 18,000 gallons	1	61.14	61.14			0.00			
18,001 - 19,000 gallons	2	63.53	127.06	1	63.53	63.53			
19,001 - 20,000 gallons	4	65.92	263.68	1	65.92	65.92			
20,001 - 21,000 gallons			0.00			0.00			
21,001 - 22,000 gallons			0.00			0.00			
22,001 - 23,000 gallons			0.00			0.00			
23,001 - 24,000 gallons			0.00			0.00			
24,001 - 25,000 gallons			0.00			0.00			
25,001 - 26,000 gallons			0.00			0.00			
26,001 - 27,000 gallons			0.00			0.00			
27,001 - 28,000 gallons			0.00			0.00			
28,001 - 29,000 gallons	1	87.43	87.43			0.00			
29,001 - 30,000 gallons			0.00			0.00			
30,001 - 31,000 gallons			0.00			0.00			
31,001 - 32,000 gallons			0.00			0.00			
32,001 - 33,000 gallons			0.00			0.00			
33,001 - 34,000 gallons			0.00			0.00			
34,001 - 35,000 gallons			0.00	1	127.22	127.22	(3)		
35,001 - 36,000 gallons			0.00			0.00			
36,001 - 37,000 gallons			0.00			0.00			
37,001 - 38,000 gallons			0.00			0.00			
38,001 - 39,000 gallons			0.00			0.00			
39,001 - 40,000 gallons			0.00			0.00			
40,001 - 41,000 gallons			0.00			0.00			
41,001 - 42,000 gallons			0.00			0.00			
42,001 - 43,000 gallons			0.00			0.00			
43,001 - 44,000 gallons			0.00			0.00			
44,001 - 45,000 gallons			0.00			0.00			
45,001 - 46,000 gallons			0.00			0.00			
46,001 - 47,000 gallons			0.00			0.00			
183,001 - 184,000 gallons							1	301.00	301.00 (4)
Totals	503		\$13,194.49	20		\$798.91	4		\$371.38
Per KH Billing Printouts	503		\$13,171.03	20		\$798.91	4		\$371.38
Variance	0		\$23.46	0		\$0.00	0		\$0.00

(1) The bills below 1,000 gallons consumption are a plug amount based on total customer count provided by the utility, less customers listed in the other brackets.

(2) Includes one bill for a 1" meter minimum bill and one bill at regular rates.

(3) 2" meter minimum bill for school.

(4) Sewage plant.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Exhibit SAM-3

CUSTOMER CONSUMPTION AND RECEIPTS - CURRENT RATES

(Based on the Average of May and July Bills Annualized)

Consumption	Residential				Commercial				Public Authorities			
	Customers	Customer Bill	Monthly Revenue	Annual Revenue	Customers	Customer Bill	Monthly Revenue	Annual Revenue	Customers	Customer Bill	Monthly Revenue	Annual Revenue
Under 1,001 gallons (1)	106.5	\$23.46	\$2,498.49	\$29,981.88	8.5	\$23.46	\$199.41	\$2,392.92	1.0	\$23.46	\$23.46	\$281.52
1,001 - 2,000 gallons	85.5	23.46	2,005.83	24,069.96	2.0	23.46	46.92	563.04	1.5	23.46	35.19	422.28
2,001 - 3,000 gallons	68.5	23.46	1,607.01	19,284.12	0.0	23.46	0.00	0.00	0.5	23.46	11.73	140.76
3,001 - 4,000 gallons	77.0	23.46	1,806.42	21,677.04	0.5	23.46	11.73	140.76	0.0	23.46	0.00	0.00
4,001 - 5,000 gallons	57.0	23.46	1,337.22	16,046.64	1.0	23.46	23.46	281.52	0.0	23.46	0.00	0.00
5,001 - 6,000 gallons	32.5	23.46	762.45	9,149.40	0.0	23.46	0.00	0.00	0.0	23.46	0.00	0.00
6,001 - 7,000 gallons	22.0	26.60	585.20	7,022.40	0.5	26.60	13.30	159.60	0.0	26.60	0.00	0.00
7,001 - 8,000 gallons	17.0	29.74	505.58	6,066.96	0.0	29.74	0.00	0.00	0.0	29.74	0.00	0.00
8,001 - 9,000 gallons	10.5	32.88	345.24	4,142.88	0.5	32.88	16.44	197.28	0.0	32.88	0.00	0.00
9,001 - 10,000 gallons	6.5	36.02	234.13	2,809.56	1.0	36.02	36.02	432.24	0.0	36.02	0.00	0.00
10,001 - 11,000 gallons	3.5	39.16	137.06	1,644.72	0.5	39.16	19.58	234.96	0.0	39.16	0.00	0.00
11,001 - 12,000 gallons	4.0	42.30	169.20	2,030.40	1.0	42.30	42.30	507.60	0.0	42.30	0.00	0.00
12,001 - 13,000 gallons	4.0	45.44	181.76	2,181.12	0.5	45.44	22.72	272.64	0.0	45.44	0.00	0.00
13,001 - 14,000 gallons	2.5	48.58	121.45	1,457.40	0.0	48.58	0.00	0.00	0.0	48.58	0.00	0.00
14,001 - 15,000 gallons	1.5	51.72	77.58	930.96	0.5	51.72	25.86	310.32	0.0	51.72	0.00	0.00
15,001 - 16,000 gallons	0.5	54.86	27.43	329.16	0.5	54.86	27.43	329.16	0.0	54.86	0.00	0.00
16,001 - 17,000 gallons	0.5	58.00	29.00	348.00	0.5	58.00	29.00	348.00	0.0	58.00	0.00	0.00
17,001 - 18,000 gallons	0.5	61.14	30.57	366.84	0.5	61.14	30.57	366.84	0.0	61.14	0.00	0.00
18,001 - 19,000 gallons	1.0	63.53	63.53	762.36	0.5	63.53	31.77	381.24	0.0	63.53	0.00	0.00
19,001 - 20,000 gallons	2.0	65.92	131.84	1,582.08	0.5	65.92	32.96	395.52	0.0	65.92	0.00	0.00
20,001 - 21,000 gallons	0.0	68.31	0.00	0.00	0.0	68.31	0.00	0.00	0.0	68.31	0.00	0.00
21,001 - 22,000 gallons	0.0	70.70	0.00	0.00	0.0	70.70	0.00	0.00	0.0	70.70	0.00	0.00
22,001 - 23,000 gallons	0.0	73.09	0.00	0.00	0.0	73.09	0.00	0.00	0.0	73.09	0.00	0.00
23,001 - 24,000 gallons	0.0	75.48	0.00	0.00	0.0	75.48	0.00	0.00	0.0	75.48	0.00	0.00
24,001 - 25,000 gallons	0.0	77.87	0.00	0.00	0.0	77.87	0.00	0.00	0.0	77.87	0.00	0.00
25,001 - 26,000 gallons	0.0	80.26	0.00	0.00	0.0	80.26	0.00	0.00	0.0	80.26	0.00	0.00
26,001 - 27,000 gallons	0.0	82.65	0.00	0.00	0.0	82.65	0.00	0.00	0.0	82.65	0.00	0.00
27,001 - 28,000 gallons	0.0	85.04	0.00	0.00	0.0	85.04	0.00	0.00	0.0	85.04	0.00	0.00
28,001 - 29,000 gallons	0.5	87.43	43.72	524.64	0.0	87.43	0.00	0.00	0.0	87.43	0.00	0.00
29,001 - 30,000 gallons	0.0	89.82	0.00	0.00	0.0	89.82	0.00	0.00	0.0	89.82	0.00	0.00
30,001 - 31,000 gallons	0.0	92.21	0.00	0.00	0.0	92.21	0.00	0.00	0.0	92.21	0.00	0.00
31,001 - 32,000 gallons	0.0	94.60	0.00	0.00	0.0	94.60	0.00	0.00	0.0	94.60	0.00	0.00
32,001 - 33,000 gallons	0.0	96.99	0.00	0.00	0.0	96.99	0.00	0.00	0.0	96.99	0.00	0.00
33,001 - 34,000 gallons	0.0	99.38	0.00	0.00	0.0	99.38	0.00	0.00	0.0	99.38	0.00	0.00
34,001 - 35,000 gallons	0.0	101.77	0.00	0.00	0.5	127.22	63.61	763.32 (2)	0.0	127.22	0.00	0.00
35,001 - 36,000 gallons	0.0	104.16	0.00	0.00	0.0	104.16	0.00	0.00	0.0	104.16	0.00	0.00
36,001 - 37,000 gallons	0.0	106.55	0.00	0.00	0.0	106.55	0.00	0.00	0.0	106.55	0.00	0.00
37,001 - 38,000 gallons	0.0	108.94	0.00	0.00	0.0	108.94	0.00	0.00	0.0	108.94	0.00	0.00
38,001 - 39,000 gallons	0.0	111.33	0.00	0.00	0.0	111.33	0.00	0.00	0.0	111.33	0.00	0.00
39,001 - 40,000 gallons	0.0	113.72	0.00	0.00	0.0	113.72	0.00	0.00	0.0	113.72	0.00	0.00
40,001 - 41,000 gallons	0.0	116.11	0.00	0.00	0.0	116.11	0.00	0.00	0.0	116.11	0.00	0.00
41,001 - 42,000 gallons	0.0	118.50	0.00	0.00	0.0	118.50	0.00	0.00	0.0	118.50	0.00	0.00
42,001 - 43,000 gallons	0.0	120.05	0.00	0.00	0.0	120.05	0.00	0.00	0.0	120.05	0.00	0.00
43,001 - 44,000 gallons	0.0	121.60	0.00	0.00	0.0	121.60	0.00	0.00	0.0	121.60	0.00	0.00
44,001 - 45,000 gallons	0.0	123.15	0.00	0.00	0.0	123.15	0.00	0.00	0.0	123.15	0.00	0.00
45,001 - 46,000 gallons	0.0	124.70	0.00	0.00	0.0	124.70	0.00	0.00	0.0	124.70	0.00	0.00
46,001 - 47,000 gallons	0.0	126.25	0.00	0.00	0.5	127.22	63.61	763.32 (2)	0.0	127.22	0.00	0.00
151,001 - 152,000 gallons									1.0	264.20	264.20	3,170.40 (3)
Totals	504		\$12,700.71	\$152,408.52	20		\$736.69	\$8,840.28	4		\$334.58	\$4,014.96
2007 Receipts per IURC filing dated May 27, 2008				\$153,175.00				\$8,908.00				\$3,968.00
Dollar Variance				(\$766.48)				(\$67.72)				\$46.96
Percentage Variance				-0.50%				-0.76%				1.18%

Billing Inputs			
First	6,000	gallons	Charge
Next	12,000	gallons	3.14
Next	24,000	gallons	2.39
Next	48,000	gallons	1.55
Next	110,000	gallons	1.15
Next	300,000	gallons	0.77
Over	500,000	gallons	0.65

(1) The bills below 1,000 gallons consumption are a plug amount based on total customer count provided by the utility, less customers listed in the other brackets.

(2) 2" meter minimum bill for school.

(3) Based on the average consumption for the May and July bills for the sewage plant.

Note: The only minimum billing this schedule takes into account is the school's minimum billing for a 2" meter.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Exhibit SAM-4

CUSTOMER CONSUMPTION AND RECEIPTS - 3,000 GALLON MINIMUM

REDUCED RATE TIER STRUCTURE

(Based on the Average of May and July Bills Annualized)

Consumption	Residential				Commercial				Public Authorities			
	Customers	Customer Bill	Monthly Revenue	Annual Revenue	Customers	Customer Bill	Monthly Revenue	Annual Revenue	Customers	Customer Bill	Monthly Revenue	Annual Revenue
Under 1,001 gallons (1)	106.5	\$21.00	\$2,236.50	\$26,838.00	8.5	\$21.00	\$178.50	\$2,142.00	1.0	\$21.00	\$21.00	\$252.00
1,001 - 2,000 gallons	85.5	21.00	1,795.50	21,546.00	2.0	21.00	42.00	504.00	1.5	21.00	31.50	378.00
2,001 - 3,000 gallons	68.5	21.00	1,438.50	17,262.00	0.0	21.00	0.00	0.00	0.5	21.00	10.50	126.00
3,001 - 4,000 gallons	77.0	23.65	1,821.05	21,852.60	0.5	23.65	11.83	141.96	0.0	23.65	0.00	0.00
4,001 - 5,000 gallons	57.0	26.30	1,499.10	17,989.20	1.0	26.30	26.30	315.60	0.0	26.30	0.00	0.00
5,001 - 6,000 gallons	32.5	28.95	940.88	11,290.56	0.0	28.95	0.00	0.00	0.0	28.95	0.00	0.00
6,001 - 7,000 gallons	22.0	31.60	695.20	8,342.40	0.5	31.60	15.80	189.60	0.0	31.60	0.00	0.00
7,001 - 8,000 gallons	17.0	34.25	582.25	6,987.00	0.0	34.25	0.00	0.00	0.0	34.25	0.00	0.00
8,001 - 9,000 gallons	10.5	36.90	387.45	4,649.40	0.5	36.90	18.45	221.40	0.0	36.90	0.00	0.00
9,001 - 10,000 gallons	6.5	39.55	257.08	3,084.96	1.0	39.55	39.55	474.60	0.0	39.55	0.00	0.00
10,001 - 11,000 gallons	3.5	42.20	147.70	1,772.40	0.5	42.20	21.10	253.20	0.0	42.20	0.00	0.00
11,001 - 12,000 gallons	4.0	44.85	179.40	2,152.80	1.0	44.85	44.85	538.20	0.0	44.85	0.00	0.00
12,001 - 13,000 gallons	4.0	47.50	190.00	2,280.00	0.5	47.50	23.75	285.00	0.0	47.50	0.00	0.00
13,001 - 14,000 gallons	2.5	50.15	125.38	1,504.56	0.0	50.15	0.00	0.00	0.0	50.15	0.00	0.00
14,001 - 15,000 gallons	1.5	52.80	79.20	950.40	0.5	52.80	26.40	316.80	0.0	52.80	0.00	0.00
15,001 - 16,000 gallons	0.5	55.45	27.73	332.76	0.5	55.45	27.73	332.76	0.0	55.45	0.00	0.00
16,001 - 17,000 gallons	0.5	58.10	29.05	348.60	0.5	58.10	29.05	348.60	0.0	58.10	0.00	0.00
17,001 - 18,000 gallons	0.5	60.75	30.38	364.56	0.5	60.75	30.38	364.56	0.0	60.75	0.00	0.00
18,001 - 19,000 gallons	1.0	63.15	63.15	757.80	0.5	63.15	31.58	378.96	0.0	63.15	0.00	0.00
19,001 - 20,000 gallons	2.0	65.55	131.10	1,573.20	0.5	65.55	32.78	393.36	0.0	65.55	0.00	0.00
20,001 - 21,000 gallons	0.0	67.95	0.00	0.00	0.0	67.95	0.00	0.00	0.0	67.95	0.00	0.00
21,001 - 22,000 gallons	0.0	70.35	0.00	0.00	0.0	70.35	0.00	0.00	0.0	70.35	0.00	0.00
22,001 - 23,000 gallons	0.0	72.75	0.00	0.00	0.0	72.75	0.00	0.00	0.0	72.75	0.00	0.00
23,001 - 24,000 gallons	0.0	75.15	0.00	0.00	0.0	75.15	0.00	0.00	0.0	75.15	0.00	0.00
24,001 - 25,000 gallons	0.0	77.55	0.00	0.00	0.0	77.55	0.00	0.00	0.0	77.55	0.00	0.00
25,001 - 26,000 gallons	0.0	79.95	0.00	0.00	0.0	79.95	0.00	0.00	0.0	79.95	0.00	0.00
26,001 - 27,000 gallons	0.0	82.35	0.00	0.00	0.0	82.35	0.00	0.00	0.0	82.35	0.00	0.00
27,001 - 28,000 gallons	0.0	84.75	0.00	0.00	0.0	84.75	0.00	0.00	0.0	84.75	0.00	0.00
28,001 - 29,000 gallons	0.5	87.15	43.58	522.96	0.0	87.15	0.00	0.00	0.0	87.15	0.00	0.00
29,001 - 30,000 gallons	0.0	89.55	0.00	0.00	0.0	89.55	0.00	0.00	0.0	89.55	0.00	0.00
30,001 - 31,000 gallons	0.0	91.95	0.00	0.00	0.0	91.95	0.00	0.00	0.0	91.95	0.00	0.00
31,001 - 32,000 gallons	0.0	94.35	0.00	0.00	0.0	94.35	0.00	0.00	0.0	94.35	0.00	0.00
32,001 - 33,000 gallons	0.0	96.75	0.00	0.00	0.0	96.75	0.00	0.00	0.0	96.75	0.00	0.00
33,001 - 34,000 gallons	0.0	99.15	0.00	0.00	0.0	99.15	0.00	0.00	0.0	99.15	0.00	0.00
34,001 - 35,000 gallons	0.0	101.55	0.00	0.00	0.5	131.86	65.93	791.16 (2)	0.0	131.86	0.00	0.00
35,001 - 36,000 gallons	0.0	103.95	0.00	0.00	0.0	103.95	0.00	0.00	0.0	103.95	0.00	0.00
36,001 - 37,000 gallons	0.0	106.35	0.00	0.00	0.0	106.35	0.00	0.00	0.0	106.35	0.00	0.00
37,001 - 38,000 gallons	0.0	108.75	0.00	0.00	0.0	108.75	0.00	0.00	0.0	108.75	0.00	0.00
38,001 - 39,000 gallons	0.0	111.15	0.00	0.00	0.0	111.15	0.00	0.00	0.0	111.15	0.00	0.00
39,001 - 40,000 gallons	0.0	113.55	0.00	0.00	0.0	113.55	0.00	0.00	0.0	113.55	0.00	0.00
40,001 - 41,000 gallons	0.0	115.95	0.00	0.00	0.0	115.95	0.00	0.00	0.0	115.95	0.00	0.00
41,001 - 42,000 gallons	0.0	118.35	0.00	0.00	0.0	118.35	0.00	0.00	0.0	118.35	0.00	0.00
42,001 - 43,000 gallons	0.0	120.75	0.00	0.00	0.0	120.75	0.00	0.00	0.0	120.75	0.00	0.00
43,001 - 44,000 gallons	0.0	123.15	0.00	0.00	0.0	123.15	0.00	0.00	0.0	123.15	0.00	0.00
44,001 - 45,000 gallons	0.0	125.55	0.00	0.00	0.0	125.55	0.00	0.00	0.0	125.55	0.00	0.00
45,001 - 46,000 gallons	0.0	127.95	0.00	0.00	0.0	127.95	0.00	0.00	0.0	127.95	0.00	0.00
46,001 - 47,000 gallons	0.0	130.35	0.00	0.00	0.5	131.86	65.93	791.16 (2)	0.0	131.86	0.00	0.00
151,001 - 152,000 gallons									1.0	342.50	342.50	4,110.00 (3)
Totals	504		\$12,700.18	\$152,402.16	20		\$731.91	\$8,782.92	4		\$405.50	\$4,866.00
2007 Receipts per IURC filing dated May 27, 2008			\$153,175.00				\$8,908.00					\$3,968.00
Dollar Variance			(\$772.84)				(\$125.08)					\$898.00
Percentage Variance			-0.50%				-1.40%					22.63%

(1) The bills below 1,000 gallons consumption are a plug amount based on total customer count provided by the utility, less customers listed in the other brackets.

(2) 2" meter minimum bill for school (calculated based on minimum gallons of 47,628 at proposed rates shown on this schedule).

(3) Based on the average consumption for the May and July bills for the sewage plant.

Total Revenue Increase (Decrease)

\$0.08

Note: The only minimum billing this schedule takes into account is the school's minimum billing for a 2" meter.

Billing Inputs				
			Original	New
			Charge	Charge
First	3,000	gallons	\$3.91	\$7.00
Next	15,000	gallons	3.14	2.65
Next	82,000	gallons	2.39	2.40
Next	100,000	gallons	1.55	1.55
Over	200,000	gallons	1.15	1.15

School Bill	
Gallons	Charge
3,000	\$21.00
15,000	39.75
29,628	71.11
47,628	\$131.86

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY

Exhibit SAM-5

COMPARISON OF RATES PRIOR TO RATE INCREASE

(Based on 5/8" Meter)

<u>Consumption</u> (in gallons)	<u>Current</u> <u>Monthly Bill</u> (1)	<u>Proposed</u> <u>Monthly Bill</u> (2)	<u>Variance</u>	<u>Percentage</u> <u>Variance</u>
Under 1,001 gallons	\$23.46	\$21.00	(\$2.46)	-10.49%
1,001 - 2,000 gallons	23.46	21.00	(2.46)	-10.49%
2,001 - 3,000 gallons	23.46	21.00	(2.46)	-10.49%
3,001 - 4,000 gallons	23.46	23.65	0.19	0.81%
4,001 - 5,000 gallons	23.46	26.30	2.84	12.11%
5,001 - 6,000 gallons	23.46	28.95	5.49	23.40%
6,001 - 7,000 gallons	26.60	31.60	5.00	18.80%
7,001 - 8,000 gallons	29.74	34.25	4.51	15.16%
8,001 - 9,000 gallons	32.88	36.90	4.02	12.23%
9,001 - 10,000 gallons	36.02	39.55	3.53	9.80%
10,001 - 11,000 gallons	39.16	42.20	3.04	7.76%
11,001 - 12,000 gallons	42.30	44.85	2.55	6.03%
12,001 - 13,000 gallons	45.44	47.50	2.06	4.53%
13,001 - 14,000 gallons	48.58	50.15	1.57	3.23%
14,001 - 15,000 gallons	51.72	52.80	1.08	2.09%
15,001 - 16,000 gallons	54.86	55.45	0.59	1.08%
16,001 - 17,000 gallons	58.00	58.10	0.10	0.17%
17,001 - 18,000 gallons	61.14	60.75	(0.39)	-0.64%
18,001 - 19,000 gallons	63.53	63.15	(0.38)	-0.60%
19,001 - 20,000 gallons	65.92	65.55	(0.37)	-0.56%
20,001 - 21,000 gallons	68.31	67.95	(0.36)	-0.53%
21,001 - 22,000 gallons	70.70	70.35	(0.35)	-0.50%
22,001 - 23,000 gallons	73.09	72.75	(0.34)	-0.47%
23,001 - 24,000 gallons	75.48	75.15	(0.33)	-0.44%
24,001 - 25,000 gallons	77.87	77.55	(0.32)	-0.41%
25,001 - 26,000 gallons	80.26	79.95	(0.31)	-0.39%
26,001 - 27,000 gallons	82.65	82.35	(0.30)	-0.36%
27,001 - 28,000 gallons	85.04	84.75	(0.29)	-0.34%
28,001 - 29,000 gallons	87.43	87.15	(0.28)	-0.32%
29,001 - 30,000 gallons	89.82	89.55	(0.27)	-0.30%
30,001 - 31,000 gallons	92.21	91.95	(0.26)	-0.28%
31,001 - 32,000 gallons	94.60	94.35	(0.25)	-0.26%
32,001 - 33,000 gallons	96.99	96.75	(0.24)	-0.25%
33,001 - 34,000 gallons	99.38	99.15	(0.23)	-0.23%
34,001 - 35,000 gallons	101.77	101.55	(0.22)	-0.22%
35,001 - 36,000 gallons	104.16	103.95	(0.21)	-0.20%
36,001 - 37,000 gallons	106.55	106.35	(0.20)	-0.19%
37,001 - 38,000 gallons	108.94	108.75	(0.19)	-0.17%
38,001 - 39,000 gallons	111.33	111.15	(0.18)	-0.16%
39,001 - 40,000 gallons	113.72	113.55	(0.17)	-0.15%
40,001 - 41,000 gallons	116.11	115.95	(0.16)	-0.14%
41,001 - 42,000 gallons	118.50	118.35	(0.15)	-0.13%
42,001 - 43,000 gallons	120.05	120.75	0.70	0.58%
43,001 - 44,000 gallons	121.60	123.15	1.55	1.27%
44,001 - 45,000 gallons	123.15	125.55	2.40	1.95%
45,001 - 46,000 gallons	124.70	127.95	3.25	2.61%
46,001 - 47,000 gallons	126.25	130.35	4.10	3.25%
School (based on minimum bill for 2" meter)	127.22	131.86	4.64	3.65%
Sewage Plant (based on 152,000 gallons)	264.20	342.50	78.30	29.64%

(1) Per rates approved December 11, 1992.

(2) Prior to 34.44% rate increase submitted to IURC.

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY**Exhibit SAM-6****SCHEDULE OF RATES AND CHARGES**

Metered Rates Per Month			Per 1,000 Gallons	
			Before Rate Increase	With Proposed 34.44% Rate Increase
First	3,000	gallons	\$7.00	\$9.41
Next	15,000	gallons	2.65	3.56
Next	82,000	gallons	2.40	3.23
Next	100,000	gallons	1.55	2.08
Over	200,000	gallons	1.15	1.55

KINGSFORD HEIGHTS (INDIANA) MUNICIPAL WATER UTILITY**Exhibit SAM-7****CALCULATION OF MINIMUM BILLING**

<u>Size of Meter</u>	<u>Minimum Gallons Allowed</u>	<u>Minimum Monthly Rate at Current Rates</u>	<u>Minimum Monthly Rate with Rate Increase</u>
		(1)	(2)
5/8" - 3/4" meter	3,000	\$21.00	\$28.23
1" meter	10,837	41.77	56.13
1 1/2" meter	24,774	77.01	103.51
2" meter	47,628	131.86	177.33
3" meter	161,700	353.19	474.83
4" meter	394,467	636.19	855.91
6" meter	1,343,784	1,727.90	2,327.36

(1) Per adjusted rate structure for 3,000 gallon minimum.

(2) Includes 34.44% proposed rate increase.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY

**RESPONSES TO IURC QUESTIONS AND REQUEST FOR ADDITIONAL
DOCUMENTATION**
(Cause No. 43502-U)

Q-1. Detailed description for the proposed new employee. Such description shall indicate whether or not the proposed duties are being performed by other town employees currently, whether and what new duties are proposed for the position, the necessity of such employee, and any special qualifications for the position that current Town employees do not have.

A-1. See Exhibit A - Position description

Q-2. Information regarding funding for the painting of the Town's water tower. Please detail whether the Town received funding via grant or loan, the entity providing such funding, and if applicable, terms of repayment.

**A-2. The Town used Major Moves funds from the State of Indiana for the water tower painting.
See Exhibit B - Resolution No. 2007-05**

Q-3. Information regarding whether or not entities with which the Town has a mutual aid agreement are accessing and using Town water for purposes other than the fighting of fires. If so, please identify the entities using such water, the amount of compensation received by the Town, and disposition of such funds.

**A-3. See Exhibit C – Fire Protection Agreement
See Exhibit D – Letter dated September 30, 2008 (Third Paragraph)**

Q-4. Information regarding hydrant use for purposes other than fire protection. Such information shall include purposes such as Town fairs, festivals and other such events at which the hydrants are used as a water source. Please provide information regarding whether entities, including the Town, are charged for such uses and whether the hydrants are currently metered.

A-4. See Exhibit D – Letter dated September 30, 2008 (Second and Third Paragraphs)

A number of years ago during a Town festival the volunteer fire department had a water ball fight. The fire hoses were hooked-up to Town hydrants. The clerk-treasurer did not know if this water usage was billed to the fire department or not. This was the only past instance the clerk-treasurer could remember regarding this issue.

KINGSFORD HEIGHTS MUNICIPAL WATER UTILITY
RESPONSES TO IURC QUESTIONS AND REQUEST FOR ADDITIONAL
DOCUMENTATION
(Cause No. 43502-U)

- Q-5.** Whether and in what amount the Town received funds from the sale of property in the Town, and whether such funds were slated for infrastructure maintenance, repair or replacement. Please provide information regarding date(s) of such sales and allocation of the funds within the Town budget.
- A-5.** See Exhibit D – Letter dated September 30, 2008 (First Paragraph)
See Exhibit E – Ordinance No. 2004-02
See Exhibit F – Addendum to Ordinance No. 2004-02
See Exhibit G – Community Improvement Fund Ledger
- Q-6.** Whether and in what amount the Town charged home owners' insurance companies for water usage as a result of fire at the home. Please specify amounts received with dates, and provide information of how funds were used in Town budget.
- A-6.** See Exhibit C – Fire Protection Agreement
- The Town does not charge insurance companies for water usage as a result of fire, per Town management.**
- Q-7.** Please provide actual usage by month for each customer class.
- A-7.** See Exhibit H – Water Utility Billing Totals
- Q-8.** Please indicate whether or not Kingsford Heights would be willing to reduce its monthly minimum usage amount from six thousand (6,000) gallons per month to a lower amount. If Kingsford Heights is willing to agree to a specific amount as a new minimum, please so state.
- A-8.** Kingsford Heights is willing to consider reducing its monthly minimum usage amount from 6,000 gallons to 3,000 gallons provided the modification is made on a revenue neutral basis to the utility. This rate modification would be in addition to any rate increase authorized by the Commission as a result of the pending rate case. The details of this proposed adjustment are more fully described in the testimony and exhibits of Petitioner's witness Scott A. Miller.

TOWN OF KINGSFORD HEIGHTS

504 Grayton Road
P. O. Box 330
Kingsford Heights, IN 46346-0330

Phone: (219)393-3309
Fax: (219)393-3016

E-Mail: kbtown1@csinct.net

Job Description for Water Dept. Employee

Assist with the Following:

Water Plant Tests & Samples Daily & Weekly
Paperwork

Flushing Fire Hydrants
Exercising System Valves
(We currently only do this once a year; it needs to be twice yearly)

Valve Repairs and/or Installations
Curb Stop Repairs and/or Installations

Repair and/or Replace Water Meters as necessary
Frozen Water Meter Repairs during winter
Emergency Service Calls

Meter Reading
Shut Offs and Reconnects for Non-Payment and People Moving
Misc. Work Orders
Locate lines for IUPPS requests (Call-Before-You-Dig)

Repair Main Breaks and/or Lateral Breaks

Water Plant Maintenance
Equipment Maintenance
Mowing Easements

Eventually take classes and tests for appropriate IDEM licenses

We currently have only one full-time water utility employee. We have to pull electric employee(s) when there is a major water project that needs to be worked on.

EXHIBIT A

We will be having a lot of extra work to do in the subdivision developments. There will be 50 – 100 valve installations, new hydrants, new laterals, curb boxes, new meter installations, etc.

All our employees are also cross-trained in the event we are short-handed.

There will be misc. duties as necessary.

This list has been prepared by:

Tim Lindewald

Certified Plant Operator

10/16/08

RESOLUTION NO. 2007-05

A RESOLUTION TO MAKE KNOWN THAT THE TOWN COUNCIL OF KINGSFORD HEIGHTS, INDIANA IS INTERESTED IN UNDERTAKING THE REQUISITE REPAIRS TO THE TOWN OF KINGSFORD HEIGHTS WATER TOWER SO AS TO ENSURE THE CONTINUED OPERATION OF THE TOWN'S WATER UTILITY

WHEREAS, The Town of Kingsford Heights, Indiana provides water utility services to the citizens of Kingsford Heights and is responsible for all operational costs of providing said utility, including but not limited to the infrastructure related to the operations of the utility;

WHEREAS, included within said operational costs is the maintenance and upkeep of the infrastructure, including the water tower, so as to prevent and / or eliminate rust buildup, and repainting the external structure of the water tower so as to protect the internal operations from any external contaminants that may disrupt and / or render the town's water supply as polluted, compromised or otherwise, unsafe;

WHEREAS, the providing of a water utility that is safe and free of any health hazards and / or contaminants is essential to the Town of Kingsford Heights residential and commercial economic development;

WHEREAS, the Town Council has been advised that the water tower is in major need of repairs and replacement, including the repainting of the entire external structure that would include the elimination of any potential rust contaminants and to reinforce those areas of the water towers that have been weakened by external contaminants, and that in the absence of timely repairs to the water tower, there exists an increasingly possibility of contaminants entering the water supply for the Town of Kingsford Heights and disruption to the availability of service delivery of the water utility; and


WHEREAS, the Town of Kingsford Heights is in receipt of monies provided by the State of Indiana Major Moves Fund for the purpose of residential and commercial economic development within the Town of Kingsford Heights;


NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Kingsford Heights, Indiana, that to foster and promote the continued residential and commercial economic development within the Town of Kingsford Heights:

Section 1: The Town Council is desirous of undertaking the necessary repairs to the Town of Kingsford Heights water tower including but not limited to the repainting of the tower, all rust removal, and the refortifying of any parts to the structure that has been compromised by external elements.

PASSED AND ADOPTED by the Town Council of the Town of Kingsford Heights, Indiana, this 10th day of December, 2007, at their regularly scheduled meeting.

TOWN COUNCIL, TOWN OF KINGSFORD
HEIGHTS


Evelyn Ballinger, President



Richard Knowlton, Vice President

(Absent)
Jeana Blake, Member


Jeff Maki, Member


David Enochs, Member

ATTEST:


Rosalie Jacobs, Clerk-Treasurer

2008 Budget for this project
\$ 235,000 inc engineering
15 fees.

FIRE PROTECTION AGREEMENT

TOWN OF KINGSFORD HEIGHTS, LAPORTE COUNTY, INDIANA, by and through its Town Council, hereinafter referred to as the "Town," and the KINGSFORD UNION VOLUNTEER FIRE DEPARTMENT, of LaPorte County, Indiana, by and through its duly authorized officers, both collectively hereinafter referred to as the "Fire Department," agree as follows:

1. The Fire Department agrees to furnish trained personnel, supervision and direction of that personnel and properly maintained fire equipment necessary to provide fire protection to the Town of Kingsford Heights, LaPorte County, Indiana.
2. The Fire Department agrees to answer all calls originating in the Town of Kingsford Heights and in Union Township, LaPorte County, Indiana, and to render fire protection in response to these calls to the best of its ability.
3. The Fire Department also agrees to provide, at its expense, all of the types of insurance coverage required by I.C. 36-8-12-6 through I.C. 36-8-12-10, as well as any other form of insurance coverage that Indiana law may, in the future, require to be provided to or for the benefit of members of the Fire Department.
4. The Fire Department shall also provide public liability insurance listing the Town as an additional insured so that insurance coverage will be provided for any claim that may be made against the Town arising out of the providing of fire protection, including specifically any claims that may be made against the Town relating to the providing of fire protection or the fighting of individual fires.

5. The Fire Department shall undertake procurement of this insurance, described in Paragraphs 3 and 4 above, as permitted by I. C. 36-8-12-6(a). The Fire Department shall use a portion of the monies paid to the Fire Department by the Town to pay the cost of the premiums for this insurance coverage. The parties agree that the payment of these premiums by the Fire Department out of the monies paid to the Fire Department by the Town as provided in Paragraph 8 below, fulfills the requirements of I. C. 36-8-12-4 and I. C. 36-8-12-6(a) that the cost of this insurance be paid or borne the Town.
6. The parties agree, as permitted by I. C. 36-8-12-5 (a), that the Town shall have no obligation to provide or pay either a clothing allowance or an automobile allowance, to any member of the Fire Department.
7. The term of this Agreement shall be for the calendar year **2008** and shall not be automatically renewed for any subsequent period.
8. The Town agrees to pay the Fire Department the sum of **\$29,211** for its services, which service shall include procuring and paying for the insurance coverage called for in Paragraphs 3 and 4 above, and shall pay one-half of same on or before July 1, **2008** and the balance of same on or before December 31, **2008**.

9. The Fire Department is to receive all fire-run insurance coverage for any fire call it answers with Union Township, LaPorte County, Indiana and the Town waives any claim to pay such fire-run insurance payment. The Town does not guarantee to the Fire Department that such payments will be made, but simply waives its right to the same and makes no demand therefore.
10. The Fire Department shall have exclusive control over the appointment of Fire Department members, the selection of officers, the development and implementation of disciplinary and other policies for the operation of the Fire Department, and the training and certification of firefighters.
11. The Fire Department shall be responsible and shall pay all cost incurred in the operation of the Fire Department and in providing fire protection, including maintenance, replacement of existing equipment, and the purchase of new fire fighting equipment or vehicles. The Fire Department shall maintain and keep all of its vehicles and fire fighting equipment used to provide fire protection services in satisfactory operating condition so as to provide fire protection services whenever and wherever needed.
12. The Fire Chief and President of the Fire Department, by signing this Agreement, have consulted with members of the Fire Department as to the provisions thereof, and by their signing of this Agreement for and on behalf of the Fire Department, the Fire Department agrees to provide fire protection services to the residents and taxpayers of the Town, according to the provisions of the Agreement and as authorized by I. C. 36-8-12-1 et seq., and I. C. 36-8-13-1 et seq.

13. None of the parties to this Agreement shall or can cancel this Agreement unless and until prior notice of the intention to cancel has been given to the Insurance Services Office of Indiana, at 320 North Meridian Street, Indianapolis, Indiana, at least sixty (60) days prior to any such cancellation.

IN WITNESS WHEREOF, the parties have hereunto set their hands on this
26th day of November, 2007

TOWN OF KINGSFORD HEIGHTS, LAPORTE COUNTY, INDIANA

By: Philip Ballinger PRESIDENT

By: Sam Baker BOARD MEMBER

By: Robert A. Kuntz BOARD MEMBER

By: _____ BOARD MEMBER

By: _____ BOARD MEMBER

KINGSFORD UNION VOLUNTEER FIRE DEPARTMENT

By: James W. Mitchell Jr. PRESIDENT

By: [Signature] FIRE CHIEF

By: [Signature] SECRETARY

TOWN OF KINGSFORD HEIGHTS

504 Grayton Road
P. O. Box 330
Kingsford Heights, IN 46346-0330

Phone: (219)393-3309
Fax: (219)393-3016

E-Mail: khtown1@csinet.net

September 30, 2008
Via fax (317)232-5923

Mr. Hall Riceman
Office of Utility Consumer Counselor

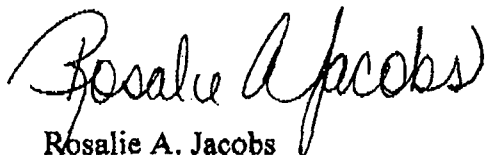
This letter is in response to the field hearing that was held on 9/23/2008.

I would like to clarify that the Town used Community Improvement Funds to any and all utility extensions into the new subdivision. This was the money we received from selling the property. We paid for supplies, materials, and contracted labor out of this money. We did not use any operating funds from any of our utilities. This means that the invoices for these water valves, etc., were not included in the rate studies that were performed by Umbaugh and/or by the OUCC (you).

Also, we do use our hydrant meter – mostly for keeping track of water that is used by use for flushing sewer mains, flushing fire hydrants, etc.

Also, someone commented about fire departments using water for free to fill up swimming pools. I can tell you that the only time we caught this happening, I billed the fire department for the minimum monthly fee, and they paid it. This has happened once this year.

Thank you for your assistance in clarifying this information.



Rosalie A. Jacobs
Clerk-Treasurer

ORDINANCE NO. 2004-02

AN ORDINANCE ESTABLISHING THE KINGSFORD HEIGHTS
TOWN IMPROVEMENT FUND

WHEREAS, the State Board of Accounts has recommended the establishment of a special fund to permit expenditure for infrastructure and improvements and other miscellaneous expenses; and

WHEREAS, Ordinance #92-8 was adopted by the Kingsford Heights Town Council on September 23, 1992, to establish the "Kingsford Heights Industrial Park Fund", and

WHEREAS, the Kingsford Heights Industrial Park has been re-zoned, and is now residential property, pursuant to Ordinance #2002-03, which was adopted on or about June 24, 2002;

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Kingsford Heights, Indiana, that:

1. A fund to be known as the Kingsford Heights Town Improvement Fund is hereby established, with said fund replacing the previously established Kingsford Heights Industrial Park Fund.
2. That any balance existing in the previous Kingsford Heights Industrial Park Fund shall carry over to the newly established Kingsford Heights Town Improvement Fund, and said balance shall not revert to the General Fund.
3. The fund shall have as its source of revenue any receipts from the sale of any property, along with any grants, donations or miscellaneous revenues.
4. Said fund shall be under the full disbursement authority of the Clerk-Treasurer of the Town of Kingsford Heights who shall be required to

submit in routine claim fashion all requests for payment out of said fund to the Town Council. Said Council shall approve or deny any such claims consistent with normal claims review.

5. The fund shall be used to assist with infrastructure improvements as the Town Council deems appropriate and necessary, to include, but not be limited to, tree replacement on Meadowbrook Blvd. and other Town property, a sidewalk 50/50 replacement plan, storm drain system improvements and utility system improvements.
6. This fund is established under to provisions of Indiana's Home Rule Law at I.C. 36-1-3 et seq., and shall therefore not require approval by the State Tax Board of the State of Indiana.
7. This fund is established for an indefinite period of time. Any fund balance at year's end shall not revert to the Town's General Fund, but rather shall be encumbered and held over for use in subsequent years.
8. On termination of the fund, any fund balance available at such time shall revert to the General Fund of the Town of Kingsford Heights.
9. This ordinance shall be effective upon passage, approval, and publication.
10. That upon passage of this ordinance, Ordinance #92-8, entitled "Ordinance Establishing the Kingsford Heights Industrial Park Fund" shall hereby be repealed.

SUBMITTED FOR CONSIDERATION of the Town Council of the Town of
Kingsford Heights, LaPorte County, Indiana, this 12th day of April,
2004.



Rosalie A. Jacobs
Clerk-Treasurer
Town of Kingsford Heights, IN

PASSED by the Town Council of the Town of Kingsford Heights, LaPorte County,

Indiana, this 26th day of April, 2004.

Evelyn Ballinger
Evelyn Ballinger
President of the Town Council of the
Town of Kingsford Heights, Indiana

ATTEST:

Rosalie A. Jacobs
Rosalie A. Jacobs
Clerk-Treasurer

I, Rosalie A. Jacobs, Clerk-Treasurer of the Civil Town of Kingsford Heights, State of
Indiana, hereby certify that the above and foregoing ordinance (Ordinance #2004-02)
was duly posted in each of the five (5) wards of the Town of Kingsford Heights, State of
Indiana, on this 30th day of April, 2004..

Rosalie A. Jacobs
Rosalie A. Jacobs
Clerk-Treasurer
Town of Kingsford Heights

Addendum to Ordinance No. 2004-02

WHEREAS, the Town Council for the Town of Kingsford Heights, Indiana has determined that Paragraph 5 of the previously adopted Ordinance No. 2004-02 entitled An Ordinance Establishing the Kingsford Heights Town Improvement Fund, should be repealed; and

WHEREAS, the Town Council of the Town of Kingsford Heights is desirous of incorporating a new Paragraph 5 into said Ordinance No. 2004-02 to replace the existing language of Paragraph 5

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF KINGFORD HEIGHTS, INDIANA that Paragraph 5 of Ordinance No. 2004-02 is hereby repealed, and the following provision shall be incorporated into Ordinance No. 2004-02 as and for Paragraph 5:

5. The fund shall be used to assist with infrastructure improvements and overall beautification as the Town Council deems appropriate and necessary, to include but not limited to: tree replacement on Meadowbrook Blvd. and other town property; capital projects; equipment purchase, leasing and/or rental; a sidewalk 50 / 50 replacement plan; storm drain system improvements; and utility system improvements.

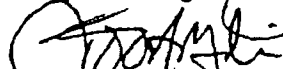
IT IS FURTHER HEREBY ORDAINED that all other provisions of said Ordinance No. 2004-02 shall remain in full force and effect, and shall be unchanged by the passing of this Addendum, unless specifically referenced and noted herein.

Dated this 16th day of June, 2008.

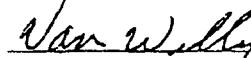
TOWN COUNCIL OF THE TOWN OF
KINGSFORD HEIGHTS, INDIANA



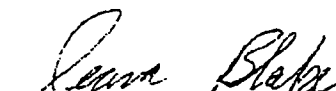
Evelyn Ballinger, President



Jeff Maki, Member



Van Willis, Member



Jeana Blake, Vice President



Dennis Francis, Member

ATTEST:



Rosalie Jacobs
Clerk/Treasurer

LEDGER OF RECEIPTS, DISBURSEMENTS AND BALANCES

Community Improvement

FUND

FORM PRESCRIBED BY STATE BOARD OF ACCOUNTS 1-5-64

HOYLE PRINTING SYSTEMS 1-800-342-2727 1-200-A

2006		RECEIPTS			DISBURSEMENTS			BALANCE	
DATE		RECEIPT NUMBER AND SOURCE		AMOUNT OF RECEIPT	DATE	WARRANT NUMBER	AMOUNT OF WARRANT		
Jan 1		Brought Forward						58,985.16	
May 22		Earnest Deposit - J. Davis		380.00				59,365.16	
July 7		Sale of Property - A. Smith	R-20614	16,263.00					
13		Sale of Property - J. Davis	R-20611	13,785.00					
17		Earnest Deposit - J. Reed	R-20655	500.00					
				M-29,548.00					
				Y-29,928.00					
								188,915.16	
Dec 12		Down Pymt on Prop - M. Larkman	R-21226	5,000.00					
				M-5,000.00					
				Y-54,928.00					
								93,916.16	

2006 Comm Imp

LEDGER OF RECEIPTS, DISBURSEMENTS AND BALANCES

Community Improvement

FUND

FORM PREPARED BY STATE BOARD OF ACCOUNTS - 11-30-67

BOYCE FORMS - SYSTEMS 1-800-363-8702 - 1264

2007			RECEIPTS		DISBURSEMENTS			BALANCE
DATE	RECEIPT NUMBER AND SOURCE		AMOUNT OF RECEIPT		DATE	WARRANT NUMBER	AMOUNT OF WARRANT	
Jan 1	Beginning Balance							93,912.16
					Feb 27	J. Reed #10312	500.00	93,412.16
Apr 23	Sale of Property - Phase I Mark Parkman R-21706		227,029.00		Apr 25	Horizon Bank #10315	50,000.00	
					25	Horizon Bank #10316	150,000.00	
							200,000.00	
							200,500.00	
								120,442.16
May 29	Interest 12 CD's R-21827		845.00					
			845.00					
			227,287.00					
								121,287.16

Comm Imp Fund - 2007

LEDGER OF RECEIPTS, DISBURSEMENTS AND BALANCES

Community Improvement

FUND

2007 RECEIPTS			2007 DISBURSEMENTS			93,913.16
DATE	RECEIPT NUMBER AND SOURCE	AMOUNT OF RECEIPT	DATE	WARRANT NUMBER	AMOUNT OF WARRANT	BALANCE
June 1	Brought Forward	227,874.00	June 2	Brought Forward	200,500.00	127,374.00
June 22	Interest on CDs R-21931	366.08	June 35	Horizon Bank #10311	50,000.00	
June 22	CD #155205 Cashed In For Re-Investment R-21932	50,000.00				
		7- 50,866.08			7- 50,000.00	
		7- 278,740.08			7- 250,500.00	
						122,153.24
July 25	Interest CD #155207	632.50				
		7- 632.50				
		7- 279,372.58				122,785.74
Aug 24	CD #156456 Cashed In For Re-Investment R-22156	50,000.00	Aug 14	Wash. City Sewer #10447	5,349.63	
24	Interest R-22157	425.90	14	Solomon Corp #10448	11,235.00	
27	Interest R-22163	653.59	14	Whitely Supply #10449	2,674.53	
		7- 51,079.49	14	Red City Power #10458	81.00	
		7- 330,452.07	14	Bakman Excavating #10459	9712.40	
			24	Horizon Bank #10462	50,000.00	
					7- 79,057.56	
					7- 329,552.56	
						74,807.67

Comm. Imp. Fund-2007

Community Improvement

FORM PRESCRIBED BY STATE BOARD OF ACCOUNTS W-3087

ROYCE FIDMAS • SYSTEMS 1400 JEFFERSON 1306-4

2007			RECEIPTS		2007			DISBURSEMENTS		93,913.16 BALANCE	
DATE	RECEIPT NUMBER AND SOURCE		AMOUNT OF RECEIPT		DATE	WARRANT NUMBER	AMOUNT OF WARRANT				
Sept 1	Brought Forward		330,452.07		Sept 1	Brought Forward	329,557.56		94,802.67		
Sept 24	Interest CD #158321		212.50		Sept 12	Gail Jones #10489	337.68				
25	Interest CD #155207		653.58				M- 2337.68				
			M- 466.08				Y- 331,895.24				
			Y- 331,318.15						93,336.07		
Oct 23	Interest CD #158321		212.50		Oct 23	Bretman Excavating #10538	18,611.40				
24	CD #158321 Cashed In for Re-Investment		50,000.00		24	Horizon Bank #10539	50,000.00				
25	Interest CD #155208		632.50		25	Horizon Bank #10540	150,000.00				
25	CD #155208 Cashed In for Re-Investment		150,000.00				M- 3118,611.40				
			M- 200,845.00				Y- 5,510,506.64				
			Y- 532,143.15						75,569.67		
Nov 26	Interest 12 CD's R-22487		784.17								
			M- 784.17								
			Y- 532,947.32						76,353.84		
Dec 26	Interest 12 CD's R-22598		784.16		Dec 21	Horizon Bank #10615	50,000.00				
27	CD #159269 Cashed In for Re-Investment R-22597		50,000.00				M- 30,000.00				
			M- 50,784.16				Y- 600,506.64				
			Y- 583,731.42						77,381.00		

Fund Community Improvement Fund 2007 Appropriation For _____
 Office or Department Revenue Summary - Reference Only Account Number _____
Form Prescribed by State Board of Accounts City of Jones Form No. 303A (400)

Date 19__	WARRANT NUMBER	No.	No.	No.	No.	No.	No.	No.	No.	TOTAL
					Sale of Property	Investments Lost or In	Interest			
Apr 23	Sale of Property				227,029.00					227,029.00
							845.00			
							866.08			
						50,000.00				
							632.50			
						50,000.00				
							1,079.49			
							866.08			
						200,000.00				
							845.00			
							784.17			
						50,000.00				
							784.16			
					227,029.00	350,000.00	6,702.48			583,731.48

Account Number.

[illegible]

LEDGER OF RECEIPTS, DISBURSEMENTS AND BALANCES

Community Improvement

FUND

FORM PREPARED BY STATE BOARD OF ACCOUNTS - H-2087

BOYCE FORMS - SYSTEMS 1-430 200 4-102 1-200-A

2008		RECEIPTS			DISBURSEMENTS				BALANCE		
DATE	RECEIPT NUMBER AND SOURCE			AMOUNT OF RECEIPT		DATE	WARRANT NUMBER	AMOUNT OF WARRANT			
Jan 1	Balance brought forward									77,138.00	
Jan 31	Interest on CDs R-22708				767.58					77,905.58	
Feb 22	Interest CD #1560665 R-22822				1,777.09	Feb. 22	Harrison Bank #10687	50,000.00			
22	CD #160665 Cashed for Re-Investment R-22823			50,000.00							
25	Interest CD #159281 R-22829				587.50						
				767.58							
				51,529.17							
										73,667.17	
Mar 25	Interest CD #159281 R-22949				587.50						
26	Interest CD #161567 R-22955				107.50						
				695.00							
				7,324.17							
										79,362.17	
Apr 21	CD #159281 Cashed In for Re-Investment R-23051			150,000.00		Apr 22	Harrison Bank #10763	150,000.00			
22	CD #161567 Cashed In for Re-Investment R-23052			50,000.00		22	Harrison Bank #10764	50,000.00			
23	Interest CD #161567 R-23058				107.50						
	CD #159281 R-23058				587.50						
				206,695.00							
				3,539.17							
										80,052.17	

Comm Imp Fund 2008

LEDGER OF RECEIPTS, DISBURSEMENTS AND BALANCES

Community Improvement Fund

FUND

FORM PRESCRIBED BY STAFF BOARD OF ACCOUNTS 11-5087

FOYCE FORMS - SYSTEMS LONG BEACH, CALIF. 11-5087-A

2008 RECEIPTS				2008 DISBURSEMENTS			77,138.00
DATE	RECEIPT NUMBER AND SOURCE	AMOUNT OF RECEIPT		DATE	WARRANT NUMBER	AMOUNT OF WARRANT	BALANCE
May 1	Brought Forward	253,919.17		May 1	Brought forward	253,000.00	80,919.17
May 15	Sale of Property R-23137	219,183.50		May 14	Unity Supply Corp #10794	6,700.00	
21	Interest x2 CD's R-23163	359.58		21	Horizon Bank #10795	50,000.00	
		7-219,553.08		21	Horizon Bank #10796	75,000.00	
		475,475.35		21	Horizon Bank #10797	75,000.00	
						306,700.00	
						436,700.00	92,919.25
June 20	Interest x3 CD's R-23264	370.83		June 23	Horizon Bank #10898	50,000.00	
23	CD #162062 cashed for Re-Investment R-23270	50,000.00					
24	Interest x2 CD's R-23276	359.59				50,000.00	
		523,302.67				506,700.00	
							73,640.67
July 21	CD #162368 cashed for Re-Investment R-23372	50,000.00		July 21	Horizon Bank #10899	50,000.00	
21	Interest x5 CD's	730.42		29	Boards #10898	7,747.85	
		523,330.42				57,747.85	
		573,955.89				62,494.75	
							26,642.24

LEDGER OF RECEIPTS, DISBURSEMENTS AND BALANCES

Community Improvement

FUND

FORM PRESCRIBED BY STATE BOARD OF ACCOUNTS 11-3877

NOTICE FORMS - SYSTEMS 1 800 382 8702 1568-A

2008 RECEIPTS			2008 DISBURSEMENTS			77,138.00
DATE	RECEIPT NUMBER AND SOURCE	AMOUNT OF RECEIPT	DATE	WARRANT NUMBER	AMOUNT OF WARRANT	BALANCE
Aug 1	Brought Forward	573,933.09	Aug 1	Brought Forward	564,447.85	86,623.24
Aug 19	CD #162770 (2nd Tr. for Investment)		Aug 19	Horizon Bank #10911	50,000.00	
	R-23483	50,000.00			50,000.00	
19	Interest x3 CD's	3,283.34			614,447.85	
21	Interest x2 CD's	3,851.3				
	R-23492	3,851.3				
		50,784.17				
		624,687.26				
						87,377.41

Fund Comm Improvement Fund Disbursements
Office or Department _____

Appropriation for _____

Account Number :

WARRANT NUMBER	No.	Invest- ments	No.	Infra- structure Materials	No.	Sked Kit	No.	Equip- ment	No.	No.	TOTAL
2008 Primary to County Project		50,000.00									
		200,000.00									
		200,000.00		6,700.00							
		50,000.00									
		500,000.00		6,700.00							506,700.00
July August		50,000.00									
		50,000.00				2,747.85					

Billings 10/1/12
 Water Utility
 1000's Gallons Billed - 2006

Prepared By _____
 Approved By _____
 Initials _____
 Date _____

SS Sales - Water Utility

EXHIBIT H

WILSON JONES																
Q7518A ColumnWrite®																
(Consumption)																
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16																
Taxable Non-Taxable Govern- Total																
Residential Commercial Commercial mental School Billed Residential Commercial Commercial mental School Billed																
January	1720	46	22	16	20	2264	1239587	30779	24152	19903	2722					1318143
February	2314	53	14	8	24	2443	1236403	27433	2074	2903	2722					1363355
March	1797	55	25	9	22	1907	1238412	29689	2478	2903	2722					1308024
April	2631	54	9	2	26	2855	3778902	88901	21544	27109	28166					3818722
May	1894	42	23	2	30	1995	1238498	26863	27126	2903	25444					1306834
June	1820	47	24	9	39	2139	1241658	24474	2754	2903	25457					1337446
July	1826	55	25	29	39	2204	1238664	27374	2836	28449	2445					1355008
August	1121	58	23	27	24	1252	745822	125612	18960	18964	182752					7889010
September	2470	60	20	25	0	2575	133359	2795	983	364	2070					1476391
October	2272	55	28	22	2	2575	133364	2631	2343	2367	2722					1431237
November	2270	54	25	28	2	2575	123309	2788	2754	44599	2722					1393072
December	1823	54	27	12	29	2135	113354	27826	2396	2894	18280					1228970
	2472	61	29	12	29	2753	1503928	37798	3772	3775	182821					1636244
Users																
January	188	21	9	4	1	233										
February	175	10	10	1	1	200										
March	171	10	10	1	1	200										
April	179	10	10	1	2	225										
May	200	10	10	1	2	226										
June	171	19	11	4	1	216										
July	201	20	10	24	1	266										
August	175	20	10	1	1	220										
September	172	20	10	4	1	217										
October	177	20	10	4	1	224										
November	176	20	10	4	1	251										
December	173	20	10	4	1	253										
Total	5986	240	240	240	240	6986										
÷ 12 =																
Averages																

1000's Gallons Filled - 2003

	Initials	Date
Prepared By		
Approved By		

2007 Billing Totals
Billed - Water Utility

EXHIBIT H

Nelson Jones

(Consumption)

[illegible]

	Initials	Date
Prepared By		
Approved By		

[illegible]